Holt, Renfrew & COMPANY LIMITED

ANNUAL REPORT

January Thirty-first

Nineteen Forty-one

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JAN 26 1946

McGILL UNIVERSITY

HOLT, RENFREW & COMPANY LIMITED

HEAD OFFICE: MONTREAL

DIRECTORS

SIR HERBERT S. HOLT
THE HON. D. O. L'ESPERANCE
R. G. LIDDY
R. B. LINDSAY
JOHN G. MCCONNELL
W. H. MCWILLIAMS
THE RT. HON. ARTHUR MEIGHEN, K.C., P.C.
A. J. WALKER
THE HON. LORNE C. WEBSTER

OFFICERS

THE HON. LORNE C. WEBSTER, *President*
A. J. WALKER, *Vice-President and Managing Director*
R. G. LIDDY, *Secretary-Treasurer*

Branches:
QUEBEC - MONTREAL - TORONTO - WINNIPEG

ANNUAL REPORT — JANUARY 31, 1941

REPORT OF THE PRESIDENT AND DIRECTORS SUBMITTED
TO THE ANNUAL MEETING OF THE SHAREHOLDERS
TO BE HELD ON

MONDAY, MARCH 31, 1941

To the Shareholders of Holt, Renfrew & Company Limited

Your Directors submit herewith the Annual Report and Financial Statement of your Company covering its operations for the year ended January 31st, 1941, as audited and certified by Messrs. Price, Waterhouse & Company.

After providing for Mortgage and Other Interest, Depreciation on Furniture & Fixtures, and Buildings, and making provision of $55,000. for Federal, Provincial, and Excess Profits Taxes, there is a balance of $101,926.35 transferred to Surplus account.

Sales continue to show a satisfactory increase and the Working Capital position has been improved.

Stocks of merchandise are in good condition and have been conservatively valued and proper provision has been made to protect against loss on Accounts Receivable.

Your Directors wish to express their appreciation of the faithful and efficient services rendered by the employees of the Company.

Respectfully submitted on behalf of the Board.

LORNE C. WEBSTER,
President.

BALANCE SHEET, J

Assets

CAPITAL ASSETS:		
Land and Buildings	$1,176,011.67	
Shop Furniture and Fixtures, Automobiles, etc., less Depreciation	124,482.21	
	$1,300,493.88	
NOTE:—Under date of January 31, 1941 Canadian Appraisal Co., Limited, valued the properties at a depreciated value of $1,497,161.10.		
Goodwill	772,453.79	
		$2,072,947.67
CURRENT ASSETS:		
Inventories of Skins, Manufactured Furs, etc., as valued by the Management at or below cost	$ 692,257.57	
Trade Accounts Receivable, less Reserve	657,952.97	
Other Accounts Receivable, less Reserve	31,675.39	
Cash Deposit with Fire Insurance Underwriters	60,540.57	
Cash on hand and with Bankers	40,469.40	
		1,482,895.90
INVESTMENT in and advances to Huron Manufacturing Co. Ltd.		57,766.06
DEFERRED CHARGES:		
Taxes, Insurance and Expenses paid in advance	$ 15,715.74	
Alterations to Leased Premises	35,973.12	
		51,688.86
		$3,665,298.49

Approved on behalf of the Board:

A. J. WALKER, *Director.*

R. G. LIDDY, *Director.*

COMPANY LIMITED

ANUARY 31st, 1941

Liabilities

CAPITAL STOCK:		
Seven per cent Cumulative Preferred—Authorized and Issued: 10,000 shares of $100.00 each	$1,000,000.00	
NOTE:—PREFERRED DIVIDEND PAID TO DECEMBER 31, 1932.		
Common—		
Authorized and Issued: 10,000 shares of $100.00 each.....	1,000,000.00	
		$2,000,000.00
MORTGAGE PAYABLE 5% maturing in semi-annual instalments from April 1, 1941 and balance of $217,875.00 due October 1, 1947..		352,750.00
CURRENT LIABILITIES:		
Bank Loan	$ 360,000.00	
Accounts Payable and Accrued Liabilities	91,043.67	
Prepaid Storage and Sundry Credit Balances	20,053.52	
Accrued Mortgage Interest	5,879.17	
Provision for Dominion and Provincial Income and Excess Profits Taxes	55,000.00	
		531,976.36
RESERVES FOR:		
Contingencies	$ 4,885.65	
Depreciation of Buildings	125,000.00	
		129,885.65
SURPLUS:		
per statement attached		650,686.48
		$3,665,298.49
CONTINGENT LIABILITY:		
Trade Paper under Discount.....	$ 152,496.14	

HOLT, RENFREW & COMPANY LIMITED

Statement of Profit and Loss and Surplus for the year ending January 31, 1941

Profit from Operations for the year ending January 31, 1941, after deducting Selling, General and Administration Expenses but before making provision for Interest, Depreciation, Income and Excess Profits Taxes		$ 268,170.65
DEDUCT:		
Mortgage Interest	$ 18,069.77	
Other Interest	26,840.89	
		44,910.66
Profits after interest but before depreciation		$ 223,259.99
DEDUCT:		
Depreciation of Shop Furniture and Fixtures and Automobiles	$ 31,333.64	
Depreciation of Buildings	35,000.00	
		66,333.64
Profits after depreciation		$ 156,926.35
Provision for Dominion and Provincial Income and Excess Profits Taxes		55,000.00
Net Profit for the year		$ 101,926.35
Surplus—January 31, 1940	$ 549,787.54	
Less: Additional Profits Taxes in respect to the year ending January 31, 1940	1,027.41	
		548,760.13
Surplus—January 31, 1941		$ 650,686.48

HOLT, RENFREW & COMPANY LIMITED

Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Holt, Renfrew & Company Limited in Montreal and Winnipeg for the year ending January 31, 1941, and have been furnished with a Balance Sheet and Profit & Loss Account of the Toronto and Quebec Branches certified to by the Chartered Accountants who audited the books of these Branches. We have obtained all the information and explanations which we have required, and subject to the final determination of the liability for Income Tax and Excess Profits Tax, we report that in our opinion the above Balance Sheet at January 31, 1941, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company which we have examined and the Certified Accounts of the Branches which were furnished to us.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, March 10, 1941.